

CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

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DRAFT MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: The State of Italian Politics

1. Italian politics are in an unhealthy condition. The coalition formula under which Italy has been governed since 1946 finally collapsed two months ago, and no succession arrangement has yet been found. With elections required by June 1958, the small center parties were unwilling to accept the responsibilities of power without gaining some of the advantages of it, and the Christian Democrats have been unable to devise a policy which would satisfy their own requirements and the conflicting aims of their erstwhile coalition partners.

2. Underlying these maneuvers is the sad arithmetic of Italian politics; about 40% of the electorate supports leftist and rightist views opposed to the constitutional system, and it is impossible to constitute a majority government except on a coalition basis. The Christian Democratic Party is ridden with factionalism and torn by personal conflicts. A substantial minority of the Italian electorate

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is strongly anti-clerical, and many of those who vote Christian Democratic do so because it is the least undesirable alternative. There is almost everywhere a cynicism about government, an intense desire for a change, but a notable lack of enthusiasm for being governed by reds, priests, fascists, or monarchists.

3. Italy needs some fundamental changes in its politics. The red devils on the left need to be exercised and the fascist pig on the right needs to be drawn off and cast away. The Christian-Democratic party in the center needs unity and discipline. A democratic-socialist alternative on the left of center and a liberal-capitalist alternative on the right of center need to be built. These, however, are ideals; the immediate problem is how best (a) to prevent the present stagnation and disillusionment from developing into a revolutionary situation and, (b) to establish a basis for growth toward a healthier political situation.

4. Toward the end of 1955 and early in 1956 it seemed as if there was some chance of cooperation between the center coalition and the extreme left. The latter, attempting to end its parliamentary isolation, supported several important government reform bills which otherwise probably would not have been passed. It appeared that immobilism in Italian policy had come to an end, at least temporarily.

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as both center and left sought to take credit for the reforms desired by the majority of the Italian people. However the Krushchev revelations concerning Stalin and suppression of the Hungarian revolt added a new dimension by disrupting the unity and militancy of the Communist Party and putting it on the defensive. Nenni, who had been trying to create the impression that he was separating himself from the Communists, evidently decided that the time had arrived for a bold move to capture popular attention and to exploit the new situation to establish himself as the leader of the leftist "democratic" forces. At the same time, the rank and file of both Socialist parties began urging Socialist reunification, and Saragat -- caught up in the pressure -- met with Nenni to discuss terms and procedures. The consequence was the end of Socialist-Communist parliamentary unity, the inauguration of an exchange of Socialist and Communist polemics, and a feeling that Socialist unification was inevitable.

5. Center-leftist cooperation to terminate immobilism also came to an end, and the old business of political maneuver occupied the politicians. Saragat was determined not to be stampeded into unification lest he lose both his leadership and his principles. Nenni was trying to have the best of two worlds; he was trying to enjoy the benefits of parading as a democrat and a constitutionalist without offending his own predilections (and those of many of his followers) toward maintaining

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working-class unity. The Christian Democratic leadership was fearful of socialist unification because a substantial democratic socialist party on the left would threaten their predominance in Italian politics, tend to weaken their hold upon the workers and leftists in their own ranks, and deepen the differences in their own party which appear whenever cooperation with the left is seriously considered. The Communists, coincident with attempting to shore up their own position, used all their assets to weaken Nenni and to confuse the socialist unification movement. The minor center parties, mindful of the coming elections, were not to be outdone in protecting their own positions. They refused further to compromise their policies so as not to eliminate their excuses for existence. Reform legislation became a secondary consideration as each of the parties maneuvered to prevent a realignment of the Italian electorate at their expense. The result was the present unresolved crisis.

6. There does not seem to be any easy way out. Nenni in fact has lost control of his party, and the merger movement has begun to recede. The Communists have recovered their equilibrium. The Christian Democrats retain their electoral support and are hopeful of winning a parliamentary majority. The minor center parties, including the Democratic Socialists, seem to be slipping further despite their efforts to protect themselves. Not only has immobilism returned, but the whole machinery of constitutional government is at a standstill, defeated by political arithmetic

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and by partisan and personal politics. We cannot predict how long this can continue before Italy returns to the pattern of the early 1920's and prepares to accept another anti-democratic dynamic solution. If the Christian Democrats can win a majority at the general elections, which will probably be held this autumn unless some unforeseen break in the cabinet problem occurs, Italy will probably at least be able to constitute a government. But the Christian Democratic Party represents so many diverse interests and is so lacking in parliamentary discipline that the immobilism would continue in any case. Thus, no attack upon the social and economic conditions encouraging revolutionary change would be made; on the contrary, so long as the socialist parties remain hopelessly split and out of power, the drawing power of Communism probably would increase.

7. If the US is to make an effective attack upon Italian Communism and to assist in the development of a healthy body politic, it must do more than support the Christian Democrats and urge them to make life unpleasant for the Communists. We must recognize that the Christian Democratic Party is not a capable instrument for carrying out the reforms which the majority of the Italian people desire. Nevertheless, in the present situation we have no acceptable alternative to giving it full support in an effort to assist it in winning a majority or near majority

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in the next general election. Since no early change in the party alignment of the Italian electorate appears likely, the cause of democracy can be better served by having a Christian Democratic Party in a safe majority position than by having an unstable coalition which is dependent upon the continued good will and satisfaction of small minorities. However, so long as the immobilism which has characterized the last ten years continues, the Communists will continue to be a powerful political force, and there is a good chance that they will pick up additional popular support. We must, therefore, do all we can to encourage the Christian Democrats to get on with a dynamic reform program.

8. The only long-term policy for cutting into Communist strength which appears to us to have any reasonable chance of success is the development of a strong democratic party on the left. The existence of such a party would have the added advantage of being a constant pressure upon the Christian Democrats to develop a liberal social program and to generate the necessary discipline to carry it out. Neither the present Socialist Party nor the Social Democratic Party appears to be a very good candidate. The former is still tied in many ways to the Communists, and its directing machinery is ridden with pro-Communists and party

bureaucrats seeking to perpetuate the old relations with the Communists. The Social Democratic Party is a bourgeois, intellectualist party that has failed to draw much working-class support and appears to be insufficiently concerned with the local problems and local issues which mean so much to the Italian voter. Both parties lack the strong trade union base which is so essential to the political strength and vote-getting capacity of European socialist parties. The leftist tradition in Italy, always strong, has come under the near monopoly of the Communists, and the labor movement -- until recently also almost a Communist monopoly -- is not associated with either socialist party.

9. We do not believe that anything would be gained by attempting, under present circumstances, to push the Social Democrats into a merger with the Italian Socialist Party. The party bureaucrats and the pro-Communists exercise too much control in the latter party. However, the present does seem a propitious time to attempt to split the PSI itself by holding out inducements to those within the PSI who desire socialist unity on democratic terms. Such an attempt would have a better chance of success if it were portrayed as a merger and if there were not too rigid requirements established in the field of foreign policy, than if an attempt were made to carry<sup>it</sup> out by simply inviting dissident Socialists to join the Democratic Socialist Party. It would have its best chance

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of success if Nenni could be persuaded to come over without the consent of, or in opposition to, the majority of the Socialist Party bureaucrats and pro-Communists. Such a move would also have a better chance of success if the Social Democrats mended their ways, if they began to act more like a party bent upon social change and less like a stalking horse for US foreign policy. They ought to dig more deeply into the mire, they ought to exert themselves more at the local level, they ought to seek a stronger position in the trade union movement. The entire trade union field ought to be reviewed to determine what would be required further to weaken the Communist hold on the Confederation of Labor and to determine the feasibility of trying to merge all or parts of the trade union movement in Italy. In short, we think we ought not to put all our faith in the Christian Democratic Party, but ought to encourage dramatic moves to strengthen the democratic left. In so doing, we need to exercise care that the socialists do not fall into Communist hands, but the stakes being what they are, we should not be too greatly concerned over the extent to which a reinvigorated socialist movement supported US foreign policy.

10. Over the longer run, if a virile social democratic alternative is developed on the left, the Christian Democratic Party would probably tend to move increasingly to the right. This would have some disadvantages; it would encourage defection from the party's left, and it would encourage

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a tendency to cooperate with the anti-democratic right -- a tendency which the party has so far steadfastly resisted. It would therefore be desirable at some future time to give consideration to encouraging a realignment on the right. The neo-fascists and monarchists are gradually losing strength, and time will probably produce further drops in strength unless a new popular rightist authoritarianism is born of growing political frustration. Rather than have the Christian Democrats become a party of the right, a new conservative grouping based upon traditional and wealth-holding interests probably should be encouraged. Thus, the Christian Democrats might come to hold the pivotal position in Italian politics, turning to right or left for support as needs and opinion require.

11. The problem of Italy is insoluble in the short term. The obstacles and difficulties in ways of developing a healthier, stabler body politic seem so great that suggestions for revitalizing Italian socialism or creating a leftist alternative seem like pipe dreams. Suggesting that the US might encourage a political formation which did not support its foreign policy seems downright self-defeating and improper. If the Christian Democrats can gain power, the immediate danger will be reduced; however, for the longer term we ought to be prepared to consider some rather unpalatable alternatives to a steady corrosion of democratic institutions and a steady accretion to the political power of the Communist left.

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